



# COMMONWEALTH OF VIRGINIA

## DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

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To: State Extended Coverage Participants Who Are Not Eligible for Medicare

From: Mary Habel, Director  
Office of Health Benefits

Date: April 7, 2006

Re:

- Open Enrollment
- Your Monthly Premium Rates Effective July 1, 2006
- Program Updates

**Open Enrollment** - From April 14 through May 15, eligible Extended Coverage participants have the opportunity to make changes to their health plan and membership, including adding or removing dependents and changing COVA Care optional benefits. Enrollees who live in the Kaiser Permanente HMO service area (in Northern Virginia) may also elect Kaiser coverage. All Open Enrollment changes will become effective on July 1, 2006. Each Extended Coverage qualified beneficiary has an independent right to make a coverage change.

***If you wish to maintain your current plan and membership level, you do not need to take any action.*** Your new monthly premium (see page two) will automatically be billed. ***If you need to make a plan or membership change, see page two Making Open Enrollment Changes for more information.***

**New High Deductible Health Plan Available July 1** - Extended Coverage participants will have a **new plan** available to them starting July 1. The new **COVA HDHP (High Deductible Health Plan)** may be elected during this Open Enrollment period. This new consumer-driven health plan offering provides the opportunity for participants to be more involved in managing their health care dollars. Enrollment in the COVA HDHP may also allow you to establish a Health Savings Account (HSA) with your bank or other financial institution. However, before considering enrollment, be sure that you understand all of the provisions of this type of coverage. Additional information is provided on pages five through six.

**Enhanced COVA Care Benefits** - Wellness benefits will be enhanced to cover 100% of the allowable charge for well-child services (through age 6), one annual routine wellness visit (ages seven and older) and routine wellness lab, immunizations and x-rays up to \$500 per plan year (ages seven and older--increased from \$200). Preventive care will also be covered at 100% of the allowable charge for one screening per plan year, including pap tests, mammograms, PSA tests and colonoscopies. Finally, there will no longer be a waiting period for orthodontic coverage if you elect the optional Expanded Dental benefit.

**Kaiser Members** - Other than the change in premium, there will be no benefit changes under the Kaiser Permanente Plan that is available in its Northern Virginia service area.

**New Premium Rates** - Listed on page two are **monthly premium costs that will become effective on July 1, 2006.**

**Extended Coverage 18 & 36-Month Premiums**

<b>Plan</b>	<b>Single Premium</b>	<b>Two-Person Premium</b>	<b>Family Premium</b>
COVA Care Basic	\$426	\$789	\$1,154
COVA Care + Out-of-Network	\$437	\$803	\$1,172
COVA Care + Expanded Dental	\$439	\$814	\$1,190
COVA Care + Vision, Hearing and Expanded Dental	\$448	\$830	\$1,212
COVA Care + Out-of-Network and Expanded Dental	\$449	\$827	\$1,209
COVA Care + Out-of-Network and Vision, Hearing and Expanded Dental	\$458	\$844	\$1,229
<b>New!</b> – COVA HDHP	\$342	\$632	\$924
Kaiser Permanente HMO*	\$412	\$762	\$1,113

**Extended Coverage 29-Month Premiums**

<b>Plan</b>	<b>Single Premium</b>	<b>Two-Person Premium</b>	<b>Family Premium</b>
COVA Care Basic	\$627	\$1,161	\$1,697
COVA Care + Out-of-Network	\$642	\$1,181	\$1,724
COVA Care + Expanded Dental	\$645	\$1,197	\$1,751
COVA Care + Vision, Hearing and Expanded Dental	\$659	\$1,221	\$1,782
COVA Care + Out-of-Network and Expanded Dental	\$660	\$1,217	\$1,778
COVA Care + Out-of-Network and Vision, Hearing and Expanded Dental	\$674	\$1,241	\$1,808
<b>New!</b> – COVA HDHP	\$503	\$930	\$1,359
Kaiser Permanente HMO*	\$606	\$1,121	\$1,637

**Extended Coverage Premiums for Participants on Military Leave Without Pay (formerly full-time employment)**

<b>Plan</b>	<b>Single Premium</b>	<b>Two-Person Premium</b>	<b>Family Premium</b>
COVA Care Basic	\$40	\$99	\$140
COVA Care + Out-of-Network	\$50	\$112	\$158
COVA Care + Expanded Dental	\$52	\$123	\$176
COVA Care + Vision, Hearing and Expanded Dental	\$61	\$139	\$197
COVA Care + Out-of-Network and Expanded Dental	\$62	\$136	\$194
COVA Care + Out-of-Network and Vision, Hearing and Expanded Dental	\$71	\$152	\$214
<b>New!</b> – COVA HDHP	\$0	\$0	\$0
Kaiser Permanente HMO*	\$39	\$96	\$135

\*Kaiser Permanente HMO is only available to participants who live in the Kaiser service area in Northern Virginia. If you are a current Kaiser member and do not live in its service area, you must make another plan selection. You may confirm the Kaiser service area by contacting Kaiser directly or going to the Kaiser Web site—see the *Plan Contact Information* on page four of this correspondence.

**New COVA Care ID Cards** - As requested by participants, COVA Care members will now have only **one identification (ID) card for all COVA Care benefits**. You will no longer have separate ID cards for medical, dental, prescription drug and behavioral health benefits. This means that all COVA Care Enrollees will receive a new ID card that can be presented to all health care providers starting July 1. Look for your new ID card in mid-June. (Current Kaiser Permanente members who maintain Kaiser coverage will not receive new ID cards.)

**Making Open Enrollment Changes** - If you wish to make a plan or membership change during Open Enrollment, your completed Enrollment Form must be **received** by May 15, 2006, at the following address:

OHB Extended Coverage Administrator  
101 North 14<sup>th</sup> Street, 13<sup>th</sup> Floor  
Richmond, VA 23219

An Enrollment Form is enclosed for your use. As an alternative to the paper form, Enrollees may make changes using EmployeeDirect on the Web—just go to [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov) and click on the EmployeeDirect link.

After the Open Enrollment period, membership and plan changes for Extended Coverage participants are allowed based on the same program provisions governing similarly-situated non-Extended Coverage participants or as provided by law.

**Dependent Child Eligibility Rules Revised** - Dependents otherwise eligible for coverage under the State Health Benefits Program currently must be claimed as dependents on the employee's/qualified beneficiary's federal income tax return. The new rule removes that requirement, allowing coverage as long as the qualified beneficiary provides more than one-half of the child's support.

**Member Handbooks** - All COVA Care and COVA HDHP Enrollees will receive a Member Handbook in July. Kaiser members will receive a new Evidence of Coverage.

**If You Become Entitled to Medicare or Start Coverage Under Another Group Health Plan...** - The Extended Coverage provisions of the Public Health Service Act provide that continuation coverage will be terminated before the end of the maximum coverage period if a qualified beneficiary becomes covered under another group health plan that does not impose a pre-existing condition exclusion or if a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage. It is the obligation of the qualified beneficiary to notify the Office of Health Benefits (OHB) Extended Coverage Administrator within 30 days of the start of such coverage by sending notification in writing to the address listed on page two. Upon reporting these events, coverage will be terminated. Failure to report other coverage within the 30-day time limit will not preclude termination retrospectively to the date that coverage would have been terminated had it been reported on time.

**Prompt Payment of Premiums** - Extended Coverage premium payments are due on the first day of the coverage month; however, by law, participants are given a grace period of 30 days to make each periodic payment. If the premium payment is not received by the first day of the coverage month, coverage will be suspended and then retroactively reinstated when the premium is paid. This means that any claim you submit for benefits while your coverage is suspended may be denied, but it may be resubmitted once your coverage is reactivated upon receipt of payment. If you fail to make your premium payment by the end of the grace period, you will lose all rights to continuation coverage effective the first of the month for which payment was not received. Payments are considered made when mailed.

Additional Resources – Page References:

- Plan Contact Information (page 4)
- Women's Health and Cancer Rights Notice (page 4)
- COVA HDHP Benefits Summary (pages 5--6)

Enclosures:

- Enrollment Form

### **PLAN CONTACT INFORMATION**

***If you have questions regarding claims or participating providers, contact:***

<b><i>Benefit</i></b>	<b><i>Contact This Administrator</i></b>
<ul style="list-style-type: none"><li>• COVA Care Medical</li><li>• COVA Care Optional Vision and Hearing</li><li>• COVA HDHP (all benefits)</li></ul>	<u>Anthem Blue Cross and Blue Shield</u> 1-800-552-2682 TDD: 1-804-354-4327 (Richmond) or 1-800-554-7752 Web site: <a href="http://www.anthem.com">www.anthem.com</a> <u>BlueCard Worldwide</u> (for assistance outside of the US) 1-800-810-BLUE (2583) Web site: <a href="http://www.bcbs.com">www.bcbs.com</a>
<ul style="list-style-type: none"><li>• COVA Care Behavioral Health or Employee Assistance Program</li></ul>	Value Options, Inc. 1-866-725-0602 Web site: <a href="http://www.achievesolutions.net/covacare">www.achievesolutions.net/covacare</a>
<ul style="list-style-type: none"><li>• COVA Care Dental</li></ul>	Delta Dental Plan of Virginia 1-888-335-8296 Web site: <a href="http://www.deltadentalva.com">www.deltadentalva.com</a>
<ul style="list-style-type: none"><li>• COVA Care Prescription Drugs</li></ul>	Medco Health Solutions, Inc. 1-800-355-8279 Web site: <a href="http://www.medco.com">www.medco.com</a>
<ul style="list-style-type: none"><li>• Kaiser Permanente HMO</li></ul>	Kaiser Foundation Health Plan of the Mid-Atlantic States 1-800-777-7902 or 1-301-468-6000 (in Washington, DC) Web site: <a href="http://my.kaiserpermanente.org/mida/commonwealthofvirginia/">http://my.kaiserpermanente.org/mida/commonwealthofvirginia/</a>

***If you have questions about eligibility and enrollment, contact the Office of Health Benefits (OHB) Extended Coverage Administrator at 804/371-6465, or mail correspondence, Enrollment Forms or address changes to the address listed on page two.***

#### **Notice**

#### **Women's Health and Cancer Rights**

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedemas.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan.

## **COVA HDHP Benefits Summary for Extended Coverage Participants**

During the Open Enrollment period that runs from April 14 through May 15, 2006, Extended Coverage participants who maintain eligibility may select the new COVA HDHP (High Deductible Health Plan) for coverage starting July 1. **Be sure to review the following information to determine whether the COVA HDHP will work for you and your family.**

### ***How does the COVA HDHP work?***

**Medical Plan Benefits:** An important provision of the COVA HDHP is that there is a **\$1,200 deductible for single coverage** and a **\$2,400 deductible for family coverage** that applies to most medical, behavioral health and prescription drug benefits. Even though there are still separate *single*, *two-person* and *family* premium levels, the deductible is based on either a single participant (\$1,200 per plan year) or a family (\$2,400 per plan year for two or more family members). If you cover two or more people, your family group will have to meet a combined total of \$2,400 in deductible expense before anyone in your family group will be able to get a benefit for covered medical services. There are exceptions for covered Wellness Services and the Employee Assistance Program (EAP) since the COVA HDHP provides a benefit for those services immediately, with no deductible, at 100% coverage of the allowable charge.

Other than Wellness Services and EAP, once the annual medical deductible is met, the COVA HDHP pays 80% of the allowable charge for covered services, and you pay the remaining 20% coinsurance.

**The Medical Plan Out-of-Pocket Expense Limit:** The COVA HDHP has an annual out-of-pocket expense limit that protects participants from paying more than \$5,000 per covered member or \$10,000 for two or more family members in a plan year for covered services. The amounts you pay for coinsurance and your medical deductible (see above) count toward your out-of-pocket expense limit. Once any one family member/single participant pays \$5,000 in plan year out-of-pocket expense for covered services, that one family member/single participant will be covered at 100% of the allowable charge for the remainder of the plan year. If the family group consists of two or more members, once the total out-of-pocket expense reaches \$10,000, the entire family will be covered at 100% of the allowable charge for the remainder of the plan year.

**Prescription Drug Benefits:** It is important to remember that, like most other COVA HDHP medical benefits, **prescription drug benefits are subject to the deductible, and are then covered at 80%.** The prescription drug coverage is for **generic drugs only**, unless there is no generic equivalent available. If a COVA HDHP participant fills a prescription for a brand-name drug when a generic equivalent is available, the benefit will be 80% of the allowable charge for the generic drug. In addition to a network of retail pharmacies, mail service is available for participants' convenience. Prescriptions may be filled at an out-of-network pharmacy, but participants will have to pay the full price of the drug and then file a claim for reimbursement. Participants will not be reimbursed for any amounts over the allowable charge that would have applied had they filled the prescription at a participating network pharmacy.

**Dental Benefits:** The COVA HDHP also provides a dental benefit that includes coverage for diagnostic and preventive, primary, complex restorative and orthodontic services. There is a \$25 deductible per plan year for each covered family member, with a maximum of \$75 per year. There is also a \$1,500 maximum benefit per covered family member each plan year for services other than orthodontic services. There is a \$1,500 maximum lifetime benefit per covered family member for orthodontics, which does not count toward the \$1,500 annual plan year maximum. The dental deductible does not count toward the medical deductible, and dental expenses do not count toward the medical annual out-of-pocket expense limit. Coverage can range from 50% to 100% of the allowable charge, depending on the covered service. See the *Summary of Benefits* provided on page six for more information.

You may use in or out-of-network providers for your covered dental services, but out-of-network providers may charge more than the allowable charge, and you would be required to pay any charges above the allowable charge. Using in-network providers assures you that you will never be charged more than the allowable charge for covered services, and you will never have to file your own claim.

**Vision Benefits:** There is no coverage for routine vision services under the COVA HDHP.

### ***What is a Health Savings Account (HSA)?***

An HSA is a tax-favored account that allows you to make limited tax-deductible contributions that can be used to pay for medical expenses. The dollars that you contribute to an HSA are your own and, if unused, can accumulate over years. You do not have to use your HSA contributions during the year in which you make the contribution. However, HSAs are federally regulated and have rules regarding contributions, withdrawals and qualified non-taxable expenses. The State Health Benefits Program will not administer an HSA, but if you enroll in the COVA HDHP, which is HSA compliant, you may be eligible to contribute to an HSA.

An important restriction associated with enrolling in an HSA is that the HDHP must be your only health plan. If you are covered by other, non-HDHP coverage (for example, a spouse's non-HDHP health plan), you may not contribute to an HSA. Be sure to consult your tax advisor, bank or other financial institution for more information. Information is also available from the Internal Revenue Service.

### ***Who administers the COVA HDHP, and will I be restricted to certain provider networks?***

Anthem Blue Cross and Blue Shield administers the COVA HDHP, including all medical, behavioral health, EAP, prescription drug and dental benefits.

Participants in the COVA HDHP will be required to use the Anthem PPO network in Virginia or the BlueCard® PPO and BlueCard Worldwide® networks outside of Virginia for any medical, behavioral health or EAP services. Except in an emergency, these services will not be covered outside of the networks listed.

COVA HDHP participants may use out-of-network providers for covered dental services and prescription drugs. However, if you use an out-of-network dental provider, you may have to pay amounts above the allowable charge, and you may have to file your own claim. If you use an out-of-network prescription drug provider, the COVA HDHP will not reimburse you more than the allowable charge for the generic drug (if available) or the brand drug (if a generic equivalent is not available) that would have been paid had you used an in-network provider, and you will be required to file your own claim for reimbursement instead of getting benefits at the point of sale.

### ***What should I consider before enrolling in the COVA HDHP?***

Be sure that you are financially prepared to pay the total amount of the deductible that will be required before your COVA HDHP medical benefits become payable—should your medical expenses result in that level of expense. Remember, the deductible is \$1,200 per person or \$2,400 for a family of two or more... and a family of two or more must pay the full \$2,400 before benefits are paid. For example, if you have a family of two and one member has paid \$1,200 in deductible expense and the other member has paid \$1,000 in deductible expense, no benefits will be paid until an additional \$200 (total \$2,400) has been paid by the family group.

Be sure that you are financially prepared to pay the maximum potential out-of-pocket expense limit for which you would be responsible should your medical services result in that level of expense. Remember, an individual could potentially pay \$5,000 out of pocket in a plan year before the benefit increases to 100% coverage. If you are covering more than one family member (two or more total family members), the potential out-of-pocket expense could reach \$10,000 before the benefit increases to 100% coverage for all family members.

Before you are attracted by the lower premium level, be sure to consider these potential expenses carefully. If you have minimal medical expenses in a plan year, you may benefit strictly from the lower premium, but if your expenses are high, your out-of-pocket costs could far exceed the amount you are saving in premium cost. Also, be sure to consider whether or not you will be able to contribute to an HSA and, if you can, check with your tax advisor to be sure that you understand all of the implications of that type of savings.

Summary of COVA HDHP benefits: Following is a basic overview of COVA HDHP benefits. More detailed information will be provided in your Member Handbook if you enroll in this plan.

<b><i>Medical Benefits</i></b>	<b><i>You Pay:</i></b>
Ambulance Travel	20% coinsurance after deductible
Behavioral Health	20% coinsurance after deductible
Diagnostic Tests and X-Rays	20% coinsurance after deductible
Doctor Visits	20% coinsurance after deductible
Employee Assistance Program (EAP)	0% coinsurance—no deductible
Emergency Room	20% coinsurance after deductible
Hospital Services	20% coinsurance after deductible
Maternity	20% coinsurance after deductible
Medical Equipment, Appliances, Formulas and Supplies	20% coinsurance after deductible
Outpatient Prescription Drugs	20% coinsurance after deductible
Shots	20% coinsurance after deductible
Wellness Services (including Well-Child, Routine Wellness and Preventive Care)	0% coinsurance—no deductible

  

<b><i>Dental Benefits</i></b>	<b><i>You Pay:</i></b>
Diagnostic and Preventive Services	0% coinsurance—no deductible
Primary Services (for example, fillings)	20% coinsurance after deductible
Complex Restorative Services (for example, crowns)	50% coinsurance after deductible
Orthodontic Service	50% coinsurance after deductible up to \$1,500 lifetime maximum per enrolled member